

REGISTERED NUMBER: 00778293

BRITISH PROPERTY FEDERATION

(Limited by Guarantee)

REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2019

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Directors

Alan J Leibowitz	
Anne T Kavanagh	Resigned on 2 July 2019
Christopher M Grigg	Resigned on 2 July 2019
Christopher M Taylor	Resigned on 2 July 2019
David B Marks	Resigned on 17 March 2020
Melanie J Leech	
Paul A Brundage	Resigned on 2 July 2019
Toby A Courtauld	
Helen C Gordon	
Robert M Noel	
William Hughes	
David Partridge	
Madeleine A McDougall	Appointed on 2 July 2019
Jonathan S Murphy	Appointed on 16 September 2019
Harvin S Chohan	Appointed on 16 September 2019
Guy J Grainger	Appointed on 2 July 2019

Company Secretary

Ion M P Fletcher

**Business Address
and Registered Office**

5th Floor
St Albans House
57 – 59 Haymarket
London SW1Y 4QX

Auditors

PKF Littlejohn LLP
Statutory Auditors
15 Westferry Circus
Canary Wharf
London E14 4HD

Company Registration Number 00778293

Introduction

The Directors present their report and the audited financial statements of the Group and Company for the year ended 31 December 2019.

Business of the British Property Federation (BPF)

The purpose of the BPF is to develop partnerships with the UK and Scottish Governments, and other decision making bodies, so that it can encourage the development of policies and regulations that will enable the industry to grow and thrive.

Review of business and future developments

Over the course of the year the BPF continued to promote the role of commercial real estate in supporting key national policy priorities including housing supply, the regeneration of town and city centres and the attraction of inward investment into the UK, where the BPF partnered with the UK and Scottish Governments at key UK and overseas trade fairs.

The BPF championed real estate investment and activity across the country through its Regional Policy Committee and through its series of regional fora across the UK working to strengthen the industry's engagement with key local authorities including the regional combined authorities and the elected mayors leading them. The BPF continued to champion a partnership approach to increase the productivity of the sector and deliver increased housing supply and thriving local economies.

The BPF launched its campaign Redefining Real Estate at its annual conference – a programme committing the industry to create and deliver enhanced social value for the communities it serves. The BPF's Forum for junior professionals – BPF Futures – continued to grow and thrive and delivered a range of learning and development events. The BPF partnered with the Office of Government Property, One Public Estate programme and U+I to deliver the first BPF Futures Challenge – a ground-breaking competition for young professionals which saw the winning project receive £100,000 to implement a project to transform the high street in Tameside, Greater Manchester.

In Scotland, our key policy challenge in the first half of the year continued to be a new Planning Act where the SPF worked with government, stakeholders and opposition MSPs to highlight and persuade MSPs to understand and revise a large number of unworkable amendments made to the Bill during its parliamentary scrutiny. Towards the end of the year the SPF worked similarly to revise proposals inserted into proposed business rates legislation on the purpose-built student accommodation sector. The SPF delivered a successful and high-profile annual conference addressed by the then Scottish Finance Secretary, and a further major annual dinner event addressed by former UK Treasury Minister Ed Balls and the BPF President, Helen Gordon.

For the future, the BPF will continue its engagement on all these issues and will look to work with like-minded partners to support the UK real estate industry and to promote its importance to the UK economy. Coronavirus will have a major impact on all parts of the economy in 2020 and beyond and the BPF will work to ensure that the property industry works constructively with its partners and customers to support those in need where it can, to make sure that the industry is recognised and supported as a key enabler of the economy and that it responds effectively to the short-term challenges of living with coronavirus, and that the policy and regulatory framework incentivises investment in real estate as a fundamental part of the UK's longer-term strategy for economic recovery.

Following the UK's departure from the EU, the BPF will also work to ensure that the industry's interests are protected and that the implications of a future relationship with the EU are understood by its members as they become clearer.

The main financial impact of coronavirus on the BPF's activities has been the cancellation of industry events which will result in a reduction our income for 2020. Our members continue to support us through this time, the reduction in income is manageable and we have reviewed our costs to ensure that we are acting prudently in the short term to protect the long term future of the BPF.

Directors' Indemnity

The Company has provided qualifying third-party indemnities for the benefit of its Directors. These were provided during the year and remain in force at the date of this report.

Results for the year

The results are set out in the consolidated statement of comprehensive income on page 8. The surplus for the year after taxation was £178,281 (2018 – deficit of £380,770).

Health and safety

The Board is committed to achieving the highest standards of care in its attention to health, safety and fire prevention. The Board requires safe working practices to ensure that employees, tenants and the general public are not harmed by the BPF's activities. Regular checks are made of office equipment, staff welfare and working practices to ensure that correct standards are maintained, and health and safety specialists undertake an annual inspection of fire prevention equipment.

Membership of the Board

The BPF wishes to thank the Directors for their contribution to its affairs during the year. The Directors serving during the year and up to the date of this report are set out on page 2.

Provision of Information to Auditors

So far as each of the Directors is aware at the time this report is approved:

- there is no relevant audit information of which the Company's auditors are unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditor:

PKF Littlejohn LLP has expressed its willingness to continue in office. A resolution proposing the reappointment of PKF Littlejohn LLP will be proposed at the next Annual General Meeting.

This report is prepared in accordance with the small companies' regime under the Companies Act 2006.

By order of the Board



M J Leech
Chief Executive

5th Floor
St Albans House
57 – 59 Haymarket
London SW1Y 4QX

4 June 2020

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group and Parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

- * select suitable Accounting Policies and then apply them consistently;
- * make judgments and accounting estimates that are reasonable and prudent; and
- * prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of the Financial Statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BRITISH PROPERTY FEDERATION**Opinion**

We have audited the financial statements of British Property Federation (the 'company') for the year ended 31 December 2019 which comprise the Group Statement of Comprehensive Income, the Group and Parent Company Balance Sheets, the Group Cash Flow Statement, the Group and Parent Company Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to note 3(b) of the financial statements, which describes the company's assessment of the COVID-19 impact on its ability to continue as a going concern. The company has explained that the events arising from the COVID-19 outbreak do not impact the use of the going concern basis of preparation nor do they cast significant doubt about the company's or group's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our opinion is not modified in this respect.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the Report of the Directors, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Alastair Duke (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor

15 Westferry Circus
Canary Wharf
London E14 4HD

9 June 2020

**BRITISH PROPERTY FEDERATION CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31 DECEMBER 2019**

	Note	Total 2019	Total 2018
Subscription income		2,673,974	2,648,510
Operating and administrative expenses	5	(3,295,264)	(3,404,156)
Event and other income		405,933	491,331
		<hr/>	<hr/>
Operating deficit		(215,357)	(264,315)
Interest receivable and similar income	7	100,344	111,320
(Loss)/Profit on sale of and movement in value of investments	10	296,721	(236,929)
Bank interest and charges payable		(4,479)	(5,552)
		<hr/>	<hr/>
Surplus/(Deficit) on ordinary activities before taxation		177,229	(395,476)
Taxation	8	1,052	14,706
		<hr/>	<hr/>
Surplus/(Deficit) on ordinary activities after taxation		178,281	(380,770)
Income and Expenditure account			
Balance at beginning of year		3,078,887	3,459,657
		<hr/>	<hr/>
Balance at end of year		£3,257,168	£3,078,887
		<hr/> <hr/>	<hr/> <hr/>
		<hr/>	<hr/>
Total comprehensive income/(expenditure) for the year		£178,281	(£380,770)
		<hr/> <hr/>	<hr/> <hr/>



All income and expenditure relates to continuing operations.

The Company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the Company profit and loss account. The loss for the Company for the year was £10,868 (2018: loss of £187,839).

The notes on pages 13 to 23 form part of these financial statements.

		Group		Company	
	Note	2019	2018	2019	2018
Fixed Assets					
Tangible fixed assets	9	290,577	74,903	-	-
Investments	10	3,083,037	3,206,569	-	-
Investment in group undertaking	19	-	-	100	100
Current Assets					
Debtors	11	301,607	304,575	2,777,610	2,727,861
Investments	12	543,549	936,807	543,549	936,807
Cash at bank and In hand		304,831	392,089	249,151	184,364
		<u>1,149,987</u>	<u>1,633,471</u>	<u>3,570,410</u>	<u>3,849,032</u>
Creditors:					
Amounts falling due within one year	13	(1,226,433)	(1,796,056)	(1,419,562)	(1,687,416)
Net Current (Liabilities)/ Assets					
		(76,446)	(162,585)	2,150,848	2,161,616
Provisions for liabilities					
	14	(40,000)	(40,000)	-	-
Net Assets					
		<u>£3,257,168</u>	<u>£3,078,887</u>	<u>£2,150,898</u>	<u>£2,161,716</u>
Members' funds					
		<u>£3,257,168</u>	<u>£3,078,887</u>	<u>£2,150,848</u>	<u>£2,161,716</u>
Income and Expenditure account		<u>£3,257,168</u>	<u>£3,078,887</u>	<u>£2,150,848</u>	<u>£2,161,716</u>

The financial statements were approved and authorised for issue by the Board of Directors on 4 June 2020 and were signed on its behalf by:

Alan Leibowitz)
)
) Directors
Melanie J Leech)


The Accounting Policies and Notes on pages 13 to 23 form part of these Financial Statements.

	Notes	Group		Company	
		Members' Funds	Total	Members' Funds	Total
Balance as at 1 January 2018		3,459,657	3,459,657	2,349,555	2,349,555
Loss for the year		(380,770)	(380,770)	(187,839)	(187,839)
Balance as at 31 December 2018		£3,078,887	£3,078,887	£2,161,716	£2,161,716
Balance at 1 January 2019		3,078,887	3,078,887	2,161,716	2,161,716
Profit for the year		178,281	178,281	(10,868)	(10,868)
Balance as at 31 December 2019		£3,257,168	£3,257,168	£2,150,848	£2,150,848

The Accounting Policies and Notes on pages 13 to 23 form part of these Financial Statements.

BRITISH PROPERTY FEDERATION

CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED 31 DECEMBER 2019

	Note	2019	2018
Cash from Operating Activities	15	(752,139)	(185,897)
Taxation paid		-	-
		-----	-----
Net cash generated from operating activities		£(752,139)	(£185,897)
		-----	-----
Cash flow from investing activities			
Purchase of tangible assets		(244,495)	(54,091)
Purchase of fixed asset investments		(459,433)	(705,586)
Proceeds from disposal of fixed asset investment		913,035	459,246
Interest received		2,452	227
Dividends received		97,892	111,093
		-----	-----
Net cash from investing activities		£309,451	(£189,111)
		-----	-----
Cash flow from financing activities			
Bank charges		(4,479)	(5,552)
		-----	-----
Net cash from financing activities		£(4,479)	(£5,552)
		-----	-----
Net increase/decrease in cash and cash equivalents		(447,167)	(380,560)
Cash and cash equivalents at the beginning of the year		1,501,794	1,882,354
		-----	-----
Cash and cash equivalents at the end of the year		£1,054,627	£1,501,794
		-----	-----
Cash and cash equivalents consists of:			
Cash at bank and in hand		304,831	392,089
Short term deposits (included in current asset investments)		543,549	936,807
Cash held at stockbrokers		206,247	172,898
		-----	-----
Cash and cash equivalents		£1,054,627	£1,501,794
		-----	-----

The Accounting Policies and Notes on pages 13 to 23 form part of these financial statements.

1. General information

British Property Federation ('the Company') and its subsidiary (together "the Group") develop partnerships with the UK and Scottish Governments and other decision making bodies, to encourage the development of policies and regulations that will enable the industry to grow and thrive.

The Company is a private Company limited by guarantee and is incorporated and domiciled in England. The address of its registered office is 5th Floor, St Albans House, 57 – 59 Haymarket, London, SW1Y 4QX.

2. Statement of compliance

The Group and individual financial statements of British Property Federation have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of Preparation

These consolidated and separate financial statements have been prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value.

The preparation of financial statements requires the use of certain accounting estimates. It also requires management to exercise its judgement in the process of applying the Group and Company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

The Company has taken advantage of the exemption in section 408 of the Companies Act from disclosing its individual profit and loss account.

(b) Going concern

The Directors have assessed the impact of coronavirus on the activities and cashflows of the Group. There will be a reduction in income from cancelled events and other activities as a result of the measures put in place by the UK Government. However, there is likely to be a concurrent reduction in expenditure as non-income generating activities are curtailed. The Group continues to support its members and develop alternative ways to engage with them. Having factored in the reduction in income and cost savings that can be made, the Directors believe that the Group remains a going concern, able to meet its liabilities for at least 12 months from the date of approval of the financial statements. The Group therefore continues to adopt the going concern basis in preparing its financial statements.

(c) Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with. The Company has taken advantage of the exemption from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the Company's cash flows.

3. Summary of significant accounting policies (continued)

(d) Basis of consolidation

The Group consolidated financial statements include the financial statements of the Company and its subsidiary undertaking made up to 31 December 2019.

A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Where a subsidiary has different accounting policies to the Group, adjustments are made to those subsidiary financial statements to apply the Group's accounting policies when preparing the consolidated financial statements.

(e) Tangible Assets

Tangible assets are stated at cost (or deemed cost), less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs and borrowing costs capitalised.

(i) Depreciation and residual values

Depreciation is calculated, using the straight-line method, to allocate the cost to their residual values over their estimated useful lives, as follows:

Leasehold improvements	– over the period of the lease
Furniture, fittings and office equipment	– 2-5 years
Computer equipment	– 3 years

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

(ii) Derecognition

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss and included in 'Other operating (losses)/gains'.

(f) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of returns, discounts and rebates allowed by the Group and value added taxes.

Where the consideration receivable in cash or cash equivalents is deferred, and the arrangement constitutes a financing transaction, the fair value of the consideration is measured as the present value of all future receipts using the imputed rate of interest.

The Group recognises revenue when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the Group retains no continuing involvement or control over the goods; (c) the amount of revenue can be measured reliably; (d) it is probable that future economic benefits will flow to the entity and (e) when the specific criteria relating to the each of Group's sales channels have been met, as described below.

(i) Subscription income

Income comprises subscriptions from members which are treated as income in the year to which they relate. Income received in the year relating to future years is credited to deferred income.

3. Summary of significant accounting policies (continued)*(ii) Other operating income*

Other operating income comprises rental income and revenue in providing the Federation's annual conference and other events. Revenue is recognised in the accounting period in which the events are held. Income received in the current year relating to future years is credited to deferred income.

(iii) Dividend income

Dividend income is recognised when the right to receive payment is established.

(g) Employee benefits

The Group provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans.

(i) Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

(ii) Defined contribution pension plans

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

(iii) Annual bonus plan

The Group operates an annual bonus plan for employees. An expense is recognised in the profit and loss account when the Group has a legal or constructive obligation to make payments under the plan as a result of past events and a reliable estimate of the obligation can be made.

(h) Taxation

The current tax charge is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current taxation assets and liabilities are not discounted.

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(i) Leased assets

At inception the Group assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

3. Summary of significant accounting policies (continued)*(i) Operating leased assets*

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

(k) Investments - Company*(i) Investment in subsidiary company*

Investment in the subsidiary company is held at cost less accumulated impairment losses.

(l) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

(m) Provisions and contingencies*(i) Provisions*

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

(o) Financial instruments

The Group has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(p) Related party transactions

The Group discloses transactions with related parties which are not wholly owned within the same Group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the directors, separate disclosure is necessary to understand the effect of the transactions on the Group financial statements.

4. Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Key accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

5. Operating and administrative expenses

	Group	
	2019	2018
Administration and overheads		
Employment costs (see note 6)	1,806,491	1,695,104
Other employee costs	159,743	107,042
Operating costs	402,790	385,227
Auditors remuneration – audit services	17,853	16,716
Auditors remuneration – tax advisory services	2,680	4,230
Depreciation	28,821	20,130
Bad debt expense	-	1,940
Other losses	-	11,740
Premises costs		
Rent – operating lease charge	189,045	178,224
Service charge	73,849	68,171
Business rates	99,655	98,272
Advocacy and member services		
Consultant, research and information	87,818	328,754
Subscriptions and membership of other bodies	58,477	103,546
Event costs and meetings	362,200	367,930
Website and publications	5,842	17,130
	<hr/>	<hr/>
	£3,295,264	£3,404,156
	<hr/> <hr/>	<hr/> <hr/>

6. Employment costs

Staff costs consist of:

	2019	2018
Wages and salaries	1,430,244	1,367,428
Social security costs	160,877	142,590
Pension contributions	215,370	185,086
	<u>£1,806,491</u>	<u>£1,695,104</u>

	2019	2018
Average number of employees during the year (calculated on a monthly basis)	No.	No.
Full time	28	25
	<u> </u>	<u> </u>

The Federation operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Federation in independently administered funds.

Directors

The Directors' emoluments were as follows:

	2019	2018
Aggregate emoluments	£221,347	£265,155
	<u> </u>	<u> </u>

One director (2018: one) was a member of a defined contribution pension scheme.

Highest Paid Director

Total amount of emoluments (excluding pension contributions)	213,850	233,416
Company pension contributions to money purchase schemes	7,497	31,739
	<u>£221,347</u>	<u>£265,155</u>

Key management compensation

Key management includes the Directors and members of senior management. The compensation, including employer's national insurance, paid or payable to key management for employee services is shown below:

	2019	2018
Salaries and other short-term benefits	534,481	665,193
Post-employment benefits	148,053	103,512
	<u> </u>	<u> </u>
Total key management compensation	<u>£682,534</u>	<u>£768,705</u>

7. Interest receivable and similar income

	2019	2018
Other interest – short term deposits	2,452	227
Income from fixed asset investments and dividends	97,892	111,093
	<u> </u>	<u> </u>
	£100,344	£111,320
	<u> </u>	<u> </u>

8. Taxation

(a) Tax expense included in profit and loss	2019	2018
Current tax:		
UK Corporation tax on profits for the year	-	-
Adjustment in respect of prior years	(1,052)	(14,706)
	<u> </u>	<u> </u>
Total current tax	(1,052)	(14,706)
	<u> </u>	<u> </u>
Tax on profit on ordinary activities	(£1,052)	(£14,706)
	<u> </u>	<u> </u>

(b) Reconciliation of tax charge

The tax assessed for the period is lower (2018: lower) than the standard effective rate of corporation tax in the UK for the year ended 31 December 2019 of 19% (2018: 19%). The differences are explained below:

	2019	2018
(Loss)/Profit multiplied by the standard effective rate of tax in the UK of 19% (2018: 19%)	33,674	(75,257)
Effects of:		
Income not subject to tax	(71,374)	(20,077)
Unrecognised deferred tax	37,700	3,620
Capital allowances	-	-
Expenses not deductible	-	91,714
Adjustment in respect of prior years	(1,052)	(14,706)
	<u> </u>	<u> </u>
Tax credit for the year	(£1,052)	(£14,706)
	<u> </u>	<u> </u>

9. Tangible fixed assets

Group					
Cost	CRM	Computer	Furniture fittings and office equipment	Leasehold improvements	Total
At beginning of year	43,250	118,156	115,837	113,177	390,420
Additions	236,658	6,872	965	-	244,495
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Cost at end of year	279,908	125,028	116,802	113,177	634,915
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation					
At beginning of year	-	98,838	105,976	110,703	315,517
Provision for year	-	18,774	7,573	2,474	28,821
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	-	117,612	113,549	113,177	344,338
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net Book Value					
At 31 December 2019	£279,908	£7,416	£3,253	-	£290,577
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2018	£43,250	£19,318	£9,861	£2,474	£74,903
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Company

The Company had no tangible assets at 31 December 2019 (2018: £nil).

10. Investments – fixed assets

	2019	2018
Equity Investments	2,229,950	2,164,411
Fixed rate bonds	646,840	869,260
Cash held at stockbrokers	206,247	172,898
	<hr/>	<hr/>
Total investments	£3,083,037	£3,206,569
	<hr/>	<hr/>

Movements in fixed asset investments during the year were as follows

	2019	2018
As at 1 January	3,206,569	3,213,548
Additions	459,433	705,586
Disposals and redemptions	(913,035)	(459,246)
Movement in cash held at stockbrokers	33,349	(16,390)
Net gain/(loss) on revaluation	296,721	(236,929)
	<hr/>	<hr/>
As at 31 December	£3,083,037	£3,206,569
	<hr/>	<hr/>

11. Debtors	Group		Company	
	2019	2018	2019	2018
Trade debtors	51,088	41,158	719	4,951
Loan to subsidiary company	-	-	2,633,005	2,633,005
Prepayments and other debtors	250,519	263,417	143,886	89,905
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	£301,607	£304,575	£2,777,610	£2,727,861
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The loan to BPF Commercial Limited is unsecured, interest free, has no fixed date of repayment and is repayable upon demand.

12. Current asset investments	Group		Company	
	2019	2018	2019	2018
Short term deposits	£543,549	£936,807	£543,549	£936,807
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

13. Creditors: amounts falling due within one year	Group		Company	
	2019	2018	2019	2018
Trade creditors	120,028	228,432	73,122	110,915
Amounts due to subsidiary	-	-	288,086	89,643
Other taxation and social security	51,168	70,009	51,168	70,009
Accruals and other creditors	112,373	125,220	64,323	66,715
Deferred income	942,864	1,372,395	942,864	1,350,134
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	£1,226,433	£1,796,056	£1,419,563	£1,687,416
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

14. Provisions for liabilities	Group		Company	
	2019	2018	2019	2018
Provision for dilapidations	£40,000	£40,000	£-	£-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

As part of the Group's property leasing arrangements there is an obligation to repair damages which incur during the life of the lease, such as wear and tear. The cost is charged to profit and loss as the obligation arises. The lease terminates in 2022.

15. Notes to the statement of cash flows

Reconciliation of profit to net cash inflow from operating activities:

	2019	2018
Surplus/(Deficit) for the financial year	178,281	(380,770)
Adjustment for:		
Tax on profit on ordinary activities	-	-
Interest and investment income	(100,344)	(111,320)
Bank charges	4,479	5,552
Loss/(Profit) on sale of and movement in value of investments	(296,721)	236,929
	<u>(214,305)</u>	<u>(£249,609)</u>
	2019	2018
Operating Surplus/(Deficit)	(214,305)	(249,609)
Depreciation of tangible assets	28,821	20,130
Working capital movements:		
Decrease in debtors	2,968	34,794
Increase in creditors	(569,023)	8,788
	<u>(£752,139)</u>	<u>(£185,897)</u>
Cash flow from operating activities	(£752,139)	(£185,897)

Analysis of changes in net debt

	At 1 January 2019	Cash flows	At 31 December 2019
Cash at bank and in hand	392,089	(87,258)	304,831
Short-term deposits	936,807	393,258	543,549
Cash held at stockbrokers	172,898	33,349	206,247
Total	<u>1,501,894</u>	<u>(447,167)</u>	<u>1,054,627</u>

Cash held at stockbrokers represents cash held for future investments, but is available at relatively short notice if needed by the Group.

16. Capital and other commitments**Group**

The Group had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2019	2018
Payments due		
Within one year	170,000	134,351
Between one and five years	294,969	16,488
	—————	—————
	£464,969	£150,839
	=====	=====

The amounts above relate to a three-year lease of office premises in London, which started in September 2019. The lease is subject to a rolling break clause exercisable by either party from March 2020 at six months' notice.

The Group had no capital commitments as at 31 December 2019 for the development of the CRM system. (2018: £230,000).

17. Related party transactions

The Company's only related party transactions were with a wholly owned subsidiary and so have not been disclosed.

18. Controlling parties**Group and Company**

The Company is limited by guarantee and has no share capital. Every member of the Company undertakes to contribute such amount as may be required (not exceeding £1) to the Company's assets if it should be wound up whilst the member is a member or within one year of ceasing to be a member.

19. Subsidiaries and related undertakings

The related undertakings whose results or financial performance principally affect the figures shown in the consolidated financial statements are as follows:

Name	Country of incorporation	Nature of business	Interest
BPF Commercial Limited	UK	Managing events and working capital	100% Ordinary Shares

The above subsidiary is included in the consolidation.